

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

COMMONWEALTH EDISON COMPANY

Petition pursuant to Section 7-101 of the Public  
Utilities Act for consent to enter into a credit  
agreement to which affiliated interests are parties.

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**VERIFIED PETITION**

To the Illinois Commerce Commission:

Commonwealth Edison Company (“ComEd”) hereby petitions the Illinois Commerce Commission (“Commission”), pursuant to Section 7-101 of the Public Utilities Act (“Act”) (220 ILCS 5/7-101), for consent to enter into credit agreements to which affiliated interests are parties. In support of this Petition, ComEd states as follows:

1. ComEd is an Illinois corporation with its principal offices in Chicago, Illinois. ComEd is engaged in the business of furnishing electric utility service to the public in the State of Illinois and, as such, is a public utility within the meaning of the Act.

2. PECO Energy Company (“PECO”) is a Pennsylvania corporation engaged in the business of furnishing electric utility service to customers in the State of Pennsylvania.

3. ComEd and PECO are direct subsidiaries of Exelon Energy Delivery, LLC (“EED”), a limited liability company organized and existing under the laws of Delaware, and indirect subsidiaries of Exelon Corporation (“Exelon”), a corporation organized and existing under the laws of the State of Pennsylvania. Accordingly, PECO, EED and Exelon are

affiliated interests of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101).

4. Exelon Generation Company, LLC (“Genco”) is a Pennsylvania limited liability company engaged in the business of generating electric power and energy. Genco is a direct subsidiary of Exelon Ventures Company, LLC, a limited liability company organized and existing under the laws of Delaware and an indirect subsidiary of Exelon. Accordingly, Genco is an “affiliated interest” of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101).

5. Bank One, NA (“Bank One”), headquartered in Chicago, Illinois, is a national banking association and provides commercial lending and banking services as well as corporate trust services. A director of Exelon is also a director of Bank One. Accordingly, Bank One is an “affiliated interest” of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101). Bank One has recently announced its involvement in a merger transaction involving JP Morgan Chase, a global financial services corporation. Consequently, Bank One may cease to be an “affiliated interest” of ComEd during the pendency of the transactions referenced herein and JP Morgan Chase may become an affiliate if the involved Exelon director becomes a director of JP Morgan Chase.

6. Northern Trust Bank (“Northern”), is an Illinois banking corporation headquartered in Chicago, Illinois. A director of Exelon is also a director of Northern. Accordingly, Northern is an “affiliated interest” of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101).

7. Morgan Stanley (“Morgan”), a global financial services corporation organized and existing under the laws of Delaware, provides investment banking and related services. A director of Exelon is also a director of Morgan. Accordingly, Morgan is an “affiliated interest” of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101).

8. In June 2004, ComEd, PECO, Genco, and Exelon intend to enter into a revolving credit agreement (“Credit Agreement”) with a number of other financial institutions, including Bank One, Northern and Morgan (the “Banks”). Because ComEd is seeking a multi-year Credit Agreement, ComEd will file pleadings seeking the requisite Article VI approval and pay any Section 6-108 fees that may be due and owing. The terms and conditions of the contemplated Credit Agreement are substantially the same as those contained in the agreement approved by the Commission in Docket 03-0547 on October 22, 2003.

9. Other than Bank One, Northern and Morgan, none of the Banks are currently an “affiliated interest” of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101). However, it is possible that, from time to time, ComEd, PECO, Genco or Exelon may become affiliated with other parties to the Credit Agreement through changes in their officers or directors or through changes in the affiliations of their officers or directors or due to the aforementioned merger transaction contemplated by Bank One and JP Morgan Chase. Similarly, there is the possibility that one or more financial institutions may “take over” the commitments of a Bank. Accordingly, it is possible that such other financial institution(s) may become affiliated with ComEd, PECO, Genco or Exelon.

10. The Credit Agreement will be effective on or about July 15, 2004. Subject to the terms and conditions set forth therein, the Credit Agreement expires no later than January 1, 2010.

11. The Credit Agreement is a type of agreement sometimes referred to as a “revolving credit agreement.” Pursuant to such an agreement, funds may, but are not required to, be borrowed throughout the term of the agreement (as extended) up to the total amount permitted under the agreement. When funds borrowed under the agreement are repaid, the amount so repaid may once again be borrowed, so long as the outstanding aggregate principal amount borrowed is no more than the total amount permitted, here up to \$1.0 billion.

12. Under the terms of the agreement, the credit sublimit is a maximum amount that can be borrowed by each borrower under the Credit Agreement. The initial credit sublimit amounts for ComEd, PECO, Exelon and Genco are expected to be \$50,000,000, \$125,000,000, \$275,000,000 and \$300,000,000, respectively. The maximum sublimit amounts shall not exceed \$1,000,000,000 for ComEd, \$1,000,000,000 for PECO, \$1,000,000,000 for Exelon and \$1,000,000,000 for Genco. These sublimits can be adjusted. The Credit Agreement will also permit the issuance of letters of credit for the account of ComEd, PECO, Exelon or Genco, provided that the aggregate amount of all letters of credit do not exceed \$600,000,000. However, the total of all amounts borrowed within the sublimits including outstanding letters of credit, will not, at any time, exceed the amount of the Credit Agreement.

13. Upon entry into the Credit Agreement, Exelon will pay an initial fee, referred to as an “upfront fee,” of between 17.5 to 35.0 basis points. However, the final

“upfront fee” will not be known until such time as negotiations are completed with the bank group. In addition, throughout the term of the Credit Agreement (as extended), Exelon will pay “facility fees.” The current facility fees associated with ComEd’s sublimit are between ten and thirty basis points, based on ComEd’s long-term senior unsecured non-credit-enhanced debt ratings. However, the final “facility fees” will not be known until such time as negotiations are completed with the bank group. The facility fees are payable on each Bank’s commitment amount, irrespective of actual borrowings under the Credit Agreement, quarterly in arrears on the last day of each March, June, September and December, and on the termination date (as extended) of the Credit Agreement. These fees are consistent with market rates.

14. Under the Credit Agreement, each of the Banks has made a commitment to fund a specified portion of ComEd’s credit sublimit. Northern and Morgan are two of the Banks that have made such commitments. Northern’s and Morgan’s individual commitments to ComEd under the Credit Agreement will be no more than \$100,000,000. However, if Bank One is unsuccessful in consummating its contemplated merger transaction, Bank One’s commitment will be no more than \$100,000,000. The Credit Agreement does not allow ComEd to favor Bank One, Northern, Morgan or any other financial institution, over the other Banks.

15. Under the Credit Agreement, ComEd has the option to choose from two types of borrowings — a “Eurodollar Rate” Advance or a “Base Rate” Advance. If ComEd selects a Eurodollar Rate Advance, ComEd will pay a rate per annum equal to the sum of the London interbank market rate (i.e., “LIBOR”) for each applicable Interest Period plus the Applicable Margin (between fifty-five and one hundred basis points based on ComEd’s long-

term senior unsecured non-credit-enhanced debt ratings) in effect for ComEd. If ComEd selects a Base Rate Advance, ComEd will pay a fluctuating interest rate per annum which shall at all times be equal to the higher of (a) the Prime Rate and (b) the sum of 0.5% per annum plus the Federal Funds Rate in effect from time to time.

16. ComEd has evaluated the relevant terms, conditions, and costs of the other credit options available to it and has determined that entry into the Credit Agreement is preferable.

17. The affiliated relationships between ComEd and PECO, ComEd and Exelon, ComEd and Genco, ComEd and Northern, ComEd and Morgan, and ComEd and Bank One, have had no effect on ComEd's evaluation of whether to seek approval of the Credit Agreement.

18. Approval of the Credit Agreement under the circumstances set forth herein will result in an economical source of revolving credit which ComEd needs to ensure that it can continue to conduct business and meet its obligations under the Act. Accordingly, the public would be inconvenienced by the granting of this Verified Petition.

19. This facility will be used for general corporate purposes and is required to support commercial paper. ComEd has not and does not expect to draw on the facility.

20. ComEd requests expedited consideration of this Verified Petition such that a Final Order is entered on or before June 30, 2004. ComEd further requests that a hearing in this matter be waived.


21. The supporting testimony of Charles S. Walls, Director of Cash Management for Exelon Business Services Company, is attached hereto as Exhibit A and incorporated herein by reference.

22. ComEd's proposed draft order is attached hereto as Exhibit B.

**WHEREFORE**, Commonwealth Edison Company respectfully requests that the Illinois Commerce Commission give its consent for Commonwealth Edison Company to enter into the Credit Agreement attached hereto.

Respectfully submitted,

COMMONWEALTH EDISON COMPANY

By:   
J. Barry Mitchell  
Vice President and Treasurer

G. Darryl Reed  
SIDLEY AUSTIN BROWN & WOOD LLP  
10 S. Dearborn Street  
Chicago, Illinois 60603  
(312) 853-7000

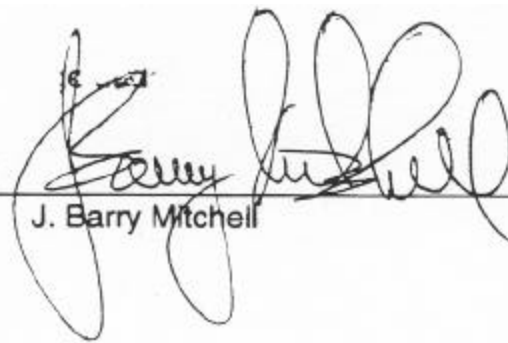
Anastasia M. O'Brien  
EXELON BUSINESS SERVICES COMPANY  
10 S. Dearborn Street, 35<sup>th</sup> Floor  
Chicago, Illinois 60603  
(312) 394-7139

June 4, 2004

STATE OF ILLINOIS            )  
  ) SS:  
COUNTY OF COOK            )

**VERIFICATION**

J. Barry Mitchell, first being duly sworn upon oath, deposes and says he is the Vice President and Treasurer of Commonwealth Edison Company, an Illinois corporation; that he has read the above and foregoing Verified Petition by him subscribed, and knows the contents thereof; and that the facts set forth therein are true and correct to the best of his knowledge and belief.



J. Barry Mitchell

SUBSCRIBED AND SWORN to  
before me this 4<sup>th</sup> day  
of June, 2004.



NOTARY PUBLIC





## **ATTACHMENT A**

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

COMMONWEALTH EDISON COMPANY	)	
	)	04-_____
Petition pursuant to Section 7-101 of the Public	)	
Utilities Act for consent to enter into a credit	)	
agreement to which affiliated interests are	)	
parties.	)	

**TESTIMONY OF CHARLES S. WALLS**

**DIRECTOR OF CASH MANAGEMENT**

**EXELON BUSINESS SERVICES COMPANY**

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**ILLINOIS COMMERCE COMMISSION**

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As Director of Cash Management, I am responsible for managing the cash, short-term investing and short-term borrowing activities for all of the Exelon

companies. Prior to becoming Director of Cash Management for Exelon BSC in November 2000, I was an Accounting Manager for ComEd.

4. Q. In the course of your employment, do you keep informed as to the credit options available to ComEd and the terms and conditions upon which such credit options would be extended to ComEd?

A. Yes.

5. Q. Are you familiar with the Verified Petition that has been filed in this matter?

A. Yes, I am.

6. Q. Would you please describe the nature and general purpose of the Verified Petition that was filed in this proceeding?

A. Yes. The Verified Petition seeks Illinois Commerce Commission (“Commission”) consent for ComEd to enter into a credit agreement to which certain affiliated interests are parties.

7. Q. Would you please summarize the subject credit agreement?

A. Yes. In June 2004, ComEd, PECO Energy Company (“PECO”), Exelon Generation Company, LLC (“Genco”) and Exelon Corporation (“Exelon”) (collectively, the “Borrowers”) intend to enter into a revolving credit agreement (“Credit Agreement”) with a number of other financial institutions, including Bank One, N.A. (“Bank One”), Northern Trust Bank (“Northern”) and Morgan Stanley (“Morgan”) (collectively, the “Banks”). Because ComEd is seeking a multi-year Credit Agreement, ComEd will file pleadings seeking the requisite Article VI approval and pay any Section 6-108 fees that may be due and owing.

The terms and conditions of the contemplated Credit Agreement are substantially the same as those contained in the agreement approved by the Commission in Docket 03-0547 on October 22, 2003.

The Credit Agreement is a type of agreement sometimes referred to as a “revolving credit agreement.” Pursuant to such an agreement, funds may, but are not required to, be borrowed throughout the term of the agreement (as extended) up to the total amount permitted under the agreement. When funds borrowed under the agreement are repaid, the amount so repaid may once again be borrowed, so long as the outstanding aggregate principal amount borrowed is no more than the total amount permitted, here up to \$1,000,000,000, under the Credit Agreement.

Under the Credit Agreement, each of the Banks has made a commitment to fund a specified portion of ComEd’s credit sublimit. The credit sublimit is a maximum amount that can be borrowed by each borrower under the Credit Agreement. The initial credit sublimit amounts for ComEd, PECO, Exelon and Genco are expected to be \$50,000,000, \$125,000,000, \$275,000,000 and \$300,000,000, respectively. The maximum sublimit amounts shall not exceed \$1,000,000,000 for ComEd, \$1,000,000,000 for PECO, \$1,000,000,000 for Exelon and \$1,000,000,000 for Genco. These sublimits can be adjusted. The Credit Agreement will permit the issuance of letters of credit for the accounts of the Borrowers, provided that the aggregate amount of all letters of credit do not exceed \$600,000,000. However, the total of all amounts borrowed within the sublimits including outstanding letters of credit, will not, at any time, exceed the amount of the Credit Agreement.

Under the credit agreement, ComEd has the option to choose from two types of borrowings — a “Eurodollar Rate” Advance or a “Base Rate” Advance. If ComEd selects a Eurodollar Rate Advance, ComEd will pay a rate per annum equal to the sum of the London interbank market rate (i.e., “LIBOR”) for each applicable Interest Period plus the Applicable Margin (between fifty-five and one hundred basis points based on ComEd’s long-term senior unsecured non-credit-enhanced debt ratings) in effect for ComEd. If ComEd selects a Base Rate Advance, ComEd will pay a fluctuating interest rate per annum which shall at all times be equal to the higher of (a) the Prime Rate and (b) the sum of 0.5% per annum plus the Federal Funds rate in effect from time to time.

8. Q. Is ComEd required to make any payments in addition to the principal and interest payments that must be made when funds are borrowed under the Credit Agreement?

A. Yes. Upon entry into the Credit Agreement, Exelon will pay an initial fee, referred to as an “upfront fee,” of between 17.5 to 35.0 basis points. However, the final “upfront fee” will not be known until such time as negotiations are completed with the bank group. In addition, throughout the term of the Credit Agreement (as extended), Exelon will pay “facility fees.” The current facility fees associated with ComEd’s sublimit are between ten and thirty basis points, based on ComEd’s long-term senior unsecured non-credit-enhanced debt ratings. However, the final “facility fees” will not be known until such time as negotiations are completed with the bank group. The facility fees are payable on each Bank’s commitment amount, irrespective of actual borrowings under the

credit agreement, quarterly in arrears on the last day of each March, June, September and December, and on the termination date (as extended) of the applicable Credit Agreement. These fees are consistent with market rates.

9. Q. What are the terms of the Credit Agreement?

A. The Credit Agreement will be effective on or about July 15, 2004. Subject to the terms and conditions set forth therein, the multi-year Credit Agreement expires no later than January 1, 2010.

10. Q. On what basis did ComEd determine that it would enter into the Credit Agreement?

A. ComEd has evaluated the relevant terms, conditions and costs of the other credit options available to it and has determined that entry into the Credit Agreement is preferable to the other credit options available to ComEd.

11. Q. Please elaborate.

A. ComEd intends to fund its short-term borrowing requirements by issuing commercial paper each business day when ComEd has a borrowing requirement. The Credit Agreement is intended to be used to back-up ComEd's commercial paper program and will be drawn upon only in extreme circumstances such as when the commercial paper market may not be accessible to ComEd.

Other credit options reviewed by ComEd included bank loans, an uncommitted line of credit, and other types of credit agreements. ComEd determined that these options were not viable alternatives that would provide ComEd with a pre-arranged borrowing source for short term credit on a daily basis. Bank loans were

rejected because they are generally more expensive in terms of interest costs and do not generally allow for the efficient management of borrowed funds on a daily basis. The use of an uncommitted line of credit option was rejected because it can be unilaterally cancelled by the bank at its discretion and borrowings under such arrangements generally require advance notice to the bank. Finally, the option of the use of drawn credit agreements, which are structured to allow ComEd to borrow directly from the banks, was rejected because they are generally more expensive in terms of interest costs.

The most efficient and economical option available to ComEd is the issuance of commercial paper to satisfy its short-term credit requirements. However, ComEd's commercial paper issuances must be collateralized with a credit agreement which can be drawn upon in the event ComEd should default on its commercial paper obligations.

12. Q. Who are the specific parties that are the subject of the Verified Petition?
- A. Exelon, a corporation organized and existing under the laws of Pennsylvania; PECO, a Pennsylvania corporation engaged in the business of furnishing electric utility service to customers in Pennsylvania; Genco, a Pennsylvania limited liability company engaged in the business of generating electric power and energy; Bank One, a national banking association that provides commercial lending and banking services as well as corporate trust services<sup>1</sup>; Northern, an

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<sup>1</sup> Bank One has recently announced its involvement in a merger transaction involving JP Morgan Chase, a global financial services corporation. Consequently, Bank One may cease to be an "affiliated interest" of ComEd during the pendency of the transactions referenced herein and JP Morgan Chase may become an affiliate if the involved Exelon director becomes a director of JP Morgan Chase.



Illinois banking corporation headquartered in Chicago, Illinois; and Morgan, a global financial services corporation organized under the laws of Delaware that provides investment banking and related services.

13. Q. What is the relationship between ComEd, Exelon, PECO and Genco?  
A. PECO and Genco are indirect subsidiaries of Exelon, ComEd's parent company.
14. Q. What is the relationship between ComEd, Bank One, Northern and Morgan?  
A. Each of these parties has a director who is also a director of Exelon.
15. Q. What role will the Banks have under the Credit Agreements?  
A. Each of the Banks has made a commitment to fund a specified portion of ComEd's credit sublimit. Northern and Morgan are two of the banks that have made such commitments. These banks individual commitments to ComEd under the Credit Agreement will be no more than \$100,000,000. However, if Bank One is unsuccessful in consummating its contemplated merger transaction, Bank One's commitment will be no more than \$100,000,000.
16. Q. Is any party to the Credit Agreement, other than Exelon, PECO, Genco, Bank One, Northern and Morgan an affiliated interest of ComEd?  
A. Not at this time. However, it is possible that, from time to time, ComEd, PECO, Genco or Exelon may become affiliated with other parties to the Credit Agreement through changes in their officers or directors or through changes in the affiliations of their officers or directors or due to the aforementioned merger transaction contemplated by Bank One and JP Morgan Chase. Similarly, there is the possibility that one or more financial institutions may "take over" the

commitments of a Bank. Accordingly, it is possible that such other financial institution(s) may be affiliated with ComEd, PECO, Genco or Exelon.

17. Q. Does the credit agreement allow ComEd to favor Bank One, Northern, or Morgan over the other Banks?

A. No.

18. Q. Did or will any affiliation have an effect on ComEd's action relating to entry into the transactions described in the Verified Petition?

A. No.

19. Q. Do you believe that the consent sought in these proceedings will be in the best interest of the public?

A. Yes. ComEd represents that, in its judgment, the consent to carry out the transactions described in the Verified Petition and in my testimony will result in an economical source of revolving credit that ComEd needs to ensure that it can continue to conduct business and meet its obligations as a public utility, will be in the public interest and the public will be inconvenienced thereby.

20. Q. Does this conclude your testimony?

A. Yes, it does.

## **ATTACHMENT B**

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

COMMONWEALTH EDISON COMPANY	)	
	)	04-_____
Petition pursuant to Section 7-101 of the Public	)	
Utilities Act for consent to enter into a credit	)	
agreement to which affiliated interests are parties.	)	
	)	

**ORDER**

By the Commission:

On June 4, 2004, Commonwealth Edison Company (“ComEd”) filed with the Illinois Commerce Commission (“Commission”) its Verified Petition, pursuant to Section 7-101 of the Public Utilities Act (the “Act”) (220 ILCS 5/7-101), for consent to enter into a credit agreement to which affiliated interests are parties.

Based upon a review of the Verified Petition and other documentation provided by ComEd to the Staff of the Commission, the Commission’s Staff filed a written Answer to the Verified Petition in which it recommended that the Verified Petition be granted by the Commission. The Administrative Law Judge reviewed the foregoing and found there were sufficient facts presented so that ComEd’s request that a hearing be waived was granted.

Facts Presented

ComEd is an Illinois corporation with its principal offices in Chicago, Illinois. ComEd is engaged in the business of furnishing electric utility service to the public in the State of Illinois and, as such, is a public utility within the meaning of the Act.

PECO Energy Company (“PECO”) is a corporation organized and existing under the laws of the State of Pennsylvania. PECO is a public utility providing electric service to customers in the State of Illinois.

ComEd and PECO are direct subsidiaries of Exelon Energy Delivery, LLC (“EED”), a limited liability company organized and existing under the laws of the State of Delaware, and indirect subsidiaries of Exelon Corporation (“Exelon”), a corporation organized and existing under the laws of the State of Pennsylvania. Accordingly, PECO, EED and Exelon are affiliated interests of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101).

Exelon Generation Company, LLC (“Genco”) is a Pennsylvania limited liability company engaged in the business of generating electric power and energy. Genco is a direct

subsidiary of Exelon Ventures LLC, a limited liability company organized and existing under the laws of Delaware and an indirect subsidiary of Exelon. Accordingly, Genco is an “affiliated interest” of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101).

Bank One, NA. (“Bank One”), headquartered in Chicago, Illinois, is a national banking association and provides commercial lending and banking services as well as corporate trust services. A director of Exelon is also a director of Bank One. Accordingly, Bank One is an “affiliated interest” of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101). Bank One has recently announced its involvement in a merger transaction involving JP Morgan Chase, a global financial services corporation. Consequently, Bank One may cease to be an “affiliated interest” of ComEd during the pendency of the transactions referenced herein and JP Morgan Chase may become an affiliate if the involved Exelon director becomes a director of JP Morgan Chase.

Northern Trust Bank (“Northern”) is an Illinois banking corporation headquartered in Chicago, Illinois. A director of Exelon is also a director of Northern. Accordingly, Northern is an “affiliated interest” of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101).

Morgan Stanley (“Morgan”) is a global financial services corporation organized and existing under the laws of Delaware and provides investment banking and related services. A director of Exelon is also a director of Morgan. Accordingly, Morgan is an “affiliated interest” of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101).

In June of 2004, ComEd, PECO, Exelon, and Genco (“Borrowers”) intend to enter into a revolving credit agreement (“Credit Agreement”) with a number of other financial institutions, including Bank One, Northern and Morgan (the “Banks”). Other than Bank One, Northern, and Morgan, none of the Banks are currently an “affiliated interest” of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101). However, it is possible that, from time to time, ComEd, PECO, Exelon, or Genco may become affiliated with other parties to the Credit Agreement through changes in their officers or directors or through changes in the affiliations of their officers or directors or due to the aforementioned merger transaction contemplated by Bank One and JP Morgan Chase. Similarly, there is the possibility that one or more financial institutions may “take over” the commitments of a Bank. Accordingly, it is possible that one or more such financial institutions may become affiliated with ComEd, PECO, Exelon, or Genco.

The Credit Agreement will be effective on or about July 15, 2004. Subject to the terms and conditions set forth therein, the multi-year Credit Agreement expires no later than January 1, 2010. A copy of the Credit Agreement, which includes the full terms and conditions of the Credit Agreement, was submitted by the Petitioner.

The Credit Agreement is a type of agreement sometimes referred to as a “revolving credit agreement.” Pursuant to such an agreement, funds may, but are not required to, be borrowed throughout the term of the agreement (as extended) up to the total amount permitted under the agreement. When funds borrowed under the agreement are repaid, the amount so repaid may once again be borrowed, so long as the outstanding aggregate principal amount borrowed is no more than the total amount permitted, here up to \$1,000,000,000.

Under the terms of the agreement, the credit sublimit is a maximum amount that can be borrowed by each borrower under the Credit Agreement. The initial credit sublimit amounts for ComEd, PECO, Exelon, and Genco are expected to be \$50,000,000, \$125,000,000, \$275,000,000, and \$300,000,000, respectively. The maximum sublimit amounts shall not exceed \$1,000,000,000 for ComEd, \$1,000,000,000 for PECO, \$1,000,000,000 for Exelon and \$1,000,000,000 for Genco. These sublimits can be adjusted. The Credit Agreement will permit the issuance of letters of credit for the account of ComEd, PECO, Exelon, or Genco, provided that the aggregate amount of all letters of credit do not exceed \$600,000,000. However, the total of all amounts borrowed within the sublimits including outstanding letters of credit, will not, at any time, exceed the amount of the Credit Agreement.

Upon entry into the Credit Agreement, Exelon paid an initial fee, referred to as an “upfront fee,” of between 17.5 and 35.0 basis points. However, the final “upfront fee” will not be known until such time as negotiations are completed with the bank group. In addition, throughout the term of the Credit Agreement (as extended), Exelon will pay “facility fees.” The current facility fees associated with ComEd’s sublimit are between ten and thirty basis points, based on ComEd’s long-term senior unsecured non-credit-enhanced debt ratings. However, the final “facility fees” will not be known until such time as negotiations are completed with the bank group. The facility fees are payable on each Bank’s commitment amount, irrespective of actual borrowings under the Credit Agreement, quarterly in arrears on the last day of each March, June, September and December, and on the termination date (as extended) of the Credit Agreement. These fees are consistent with market rates.

Under the Credit Agreement, each of the Banks has made a commitment to fund a specified portion of ComEd’s credit sublimit. Northern, and Morgan are two of the Banks that have made such commitments. Northern’s, and Morgan’s individual commitments to ComEd will be no more than \$100,000,000. However, if Bank One is unsuccessful in consummating its contemplated merger transaction, Bank One’s commitment will be no more than \$100,000,000. The Credit Agreement does not allow ComEd to favor Bank One, Northern, Morgan or any other financial institution over the other Banks.

Under the Credit Agreement, ComEd has the option to choose from two types of borrowings — a “Eurodollar Rate” Advance or a “Base Rate” Advance. If ComEd selects a Eurodollar Rate Advance, ComEd will pay a rate per annum equal to the sum of the London interbank market rate (i.e., “LIBOR”) for each applicable Interest Period plus the Applicable Margin (between fifty-five and one hundred basis points based on ComEd’s long-term senior unsecured non-credit-enhanced debt ratings) in effect for ComEd. If ComEd selects a Base Rate Advance, ComEd will pay a fluctuating interest rate per annum which shall at all times be equal to the higher of (a) the Prime Rate and (b) the sum of 0.5% per annum plus the Federal Funds rate in effect from time to time.

ComEd has evaluated the relevant terms, conditions, and costs of the other credit options available to it and has determined that entry into the Credit Agreement is preferable.

The affiliated relationships between ComEd and PECO, Exelon, Genco, Bank One, Northern, and Morgan, have had no effect on ComEd’s evaluation of whether to seek approval of the Credit Agreement.

Approval of the Credit Agreement under the circumstances set forth herein will result in an economical source of revolving credit which ComEd needs to ensure that it can continue to conduct business and meet its obligations under the Act. Accordingly, the public would be inconvenienced thereby.

ComEd is seeking approval of this Credit Agreement because this facility will be used for general corporate purposes and is required to support commercial paper.

ComEd has not and does not expect to draw on the facility and has not incurred any expense under the Credit Agreement.

ComEd requested expedited consideration of its Verified Petition and further requested that a hearing be waived.

The Commission, having considered the entire record herein and being fully advised in the premises, is of the opinion and finds that:

- (1) ComEd is a corporation organized and existing under the laws of the State of Illinois. ComEd is engaged in the business of providing electric service to customers in the State of Illinois. ComEd is a public utility within the meaning of the Act.
- (2) the Commission has jurisdiction over ComEd, a public utility as defined by Section 3-105 of the Act;
- (3) the recitals of fact and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact and conclusions of law; and
- (4) the proposed transaction is in the public interest and the public will be inconvenienced thereby and ComEd's Verified Petition should therefore be approved.

IT IS THEREFORE ORDERED THAT the consent and approval of the Illinois Commerce Commission is granted to Commonwealth Edison Company to enter into the Credit Agreement, and to act in accordance with the terms and conditions of such Credit Agreement.

IT IS FURTHER ORDERED that approval is granted to Commonwealth Edison Company to do any and all other things not contrary to law that are necessary and appropriate for the performance of any and all acts authorized herein.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this \_\_\_\_ day of \_\_\_\_\_, 2004.

(SIGNED)

Chairman

(S E A L)